

## Message Text

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FM SECSTATE WASHDC

TO WHITE HOUSE IMMEDIATE

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TOSEC 146

E.O. 11652: N/A

TAGS: OVIP (KISSINGER, H. A.)

SUBJECT: MEDIA REPORT - FRIDAY, DECEMBER 13

WHITE HOUSE PLS PASS SAM 86970 FOR SECRETARY KISSINGER

NO. 3

FOR AMBASSADOR ANDERSON FROM S/PRS

WIRE

1. AP, KEN FREED: THE U.S. IS CONSIDERING A PLAN TO KEEP THE PRICE OF OIL FROM FALLING TO A POINT WHERE IT ENDANGERS THE DEVELOPMENT OF ALTERNATE SOURCES OF ENERGY, HAK SAID TODAY.

HE ALSO SAID SOME PROGRESS HAS BEEN MADE IN PROMOTING GREEK-TURKISH AGREEMENT ON BEGINNING CYPRUS PEACE NEGOTIATIONS, BUT THAT IT WAS LIMITED TO PROCEDURES AND NOT SUBSTANCE. NEVERTHELESS, HE SAID, "I AM MORE HOPEFUL THAN I WAS BEFORE I ARRIVED."

HAK TOLD A 45-MINUTE NEWS CONFERENCE AFTER THE NATO MINISTERIAL CONFERENCE THAT U.S. POLICY IS TO REDUCE OIL PRICES, "BUT IN THE ABSENCE OF A PRICE REDUCTION OUR POLICY...IS UNCLASSIFIED

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TODEVELOP ALTERNATIVE SOURCES."

IF THAT SHOULD DRIVE DOWN THE PRICE OF OIL TO THE POINT OF CAUSING ECONOMIC DISLOCATION BY UNDERCUTTING THE VALUE OF WHATEVER ALTERNATIVES ARE FOUND, THE U.S. MAY FAVOR A SUBSIDY TO KEEP OIL COSTS UP, HE SAID.

HOWEVER, HAK EMPHASIZED THAT THIS IS UNDER STUDY ONLY AND "IS NOT A GOVERNMENT DECISION."

IN ANSWERING QUESTIONS ON ECONOMICS AND OIL, HAK MADE IT CLEAR HE WAS A LONG WAY FROM ACCEPTING THE FRENCH IDEA FOR A QUICK MEETING BETWEEN THE MAJOR OIL CONSUMING NATIONS AND THE OIL PRODUCERS.

HE SAID HE HAD THE IMPRESSION THERE WAS AGREEMENT AMONG THE NATO FOREIGN MINISTERS ON THE SEQUENCE TO BE FOLLOWED LEADING TO AN OIL SOLUTION.

THIS WOULD BE DEVELOPING A UNIFIED POLICY FOR OIL CONSERVATION, FINDING NEW SOURCES AND RE-ESTABLISHING FINANCIAL STABILITY AMONG THE INDUSTRIALIZED COUNTRIES, AND THIS COULD BE FOLLOWED BY A CONSUMERS-PRODUCERS MEETING, HAK SAID.

ANY PROBLEM ON TIMING MAY BE SOLVED AT THE MEETING STARTING SUNDAY BETWEEN PRESIDENT FORD AND FRENCH PRESIDENT VALERY GISCARD D'ESTAING ON THE CARIBBEAN ISLAND OF MARTINIQUE, HAK SAID.

ON OTHER MATTERS, HAK MADE THESE POINTS:

-- FRENCH OFFICIALS HAVE ASSURED HIM THERE IS NO FRENCH-AMERICAN DISAGREEMENT OVER APPROACHES THE TWO COUNTRIES TAKE TOWARD EAST-WEST DETENTE. THERE HAS BEEN SOME PROBLEM OVER THIS BECAUSE OF ORIGINALLY DIFFERENT INTERPRETATIONS OF THE COMMUNIQUE ISSUED AFTER THE TWO SOVIET SUMMITS WITH THE U.S. AND FRANCE.

-- IT IS "TOTALLY UNTRUE" THAT HE IS PESSIMISTIC ABOUT GETTING AN ARAB-ISRAELI SETTLEMENT. HE SAID IN RESPONSE  
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TO A QUESTION THAT "THERE IS NO AMERICAN ARMY BEING TRAINED TO TAKE OVER ARAB OIL FIELDS." HE ALSO SAID THE AMERICAN EFFORT TO PROMOTE A SETTLEMENT HAS NOT BEEN DELAYED PENDING A VISIT TO CAIRO LATER THIS MONTH BY SOVIET LEADER LEONID BREZHNEV.

-- A BIG EAST-WEST SUMMIT TO END THE EUROPEAN SECURITY CONFERENCE IN GENEVA DEPENDS ON THE PROGRESS MADE AT THE

LOWER LEVEL SECOND STAGE OF TALKS NOW UNDER WAY. "IF RESULTS JUSTIFY IT WE ARE PREPARED TO GO TO A SUMMIT," HE SAID.

RADIO

1. CBS, MICHAEL LANDERS: THE WESTERN WORLD'S ECONOMIC PROBLEMS OVERSHADOWED ALL OTHER ISSUES IN THIS NATO FMS CONFERENCE. THE BIG QUESTION FOR HAK AND THE OTHER NATO MINISTERS - HOW TO MAINTAIN THE WESTERN ALLIANCES DEFENSES AGAINST THE PRESSURES OF INFLATION. HAK TOLD NEWSMEN THAT HE AND HIS COUNTERPARTS COULD NOT COME UP WITH ANY JOINT NATO POLICY TO FIGHT INFLATION BUT THAT EVERYONE HERE AGREED IT IS A SERIOUS THREAT TO THE WESTERN ALLIANCE. - HAK - "THE PROBLEM OF THE INDUSTRIALIZED WORLD SINCE THE WAR HAS BEEN INFLATION THAT SOMETIMES CONTINUES EVEN DURING PERIODS OF RECESSION. THIS IS AN INHERENT PROBLEM OF ALL WESTERN SOCIETIES FOR WHICH NO ADEQUATE THEORY EXISTS." HAK HELD PRIVATE TALKS HERE WITH THE GREEK AND TURKISH FMS AND HE REPORTED HE IS MORE OPTIMISTIC NOW THAN WHEN HE ARRIVED IN BRUSSELS EARLY THIS WEEK ABOUT POSSIBILITIES FOR A SETTLEMENT OF THE CYPRUS SITUATION, BUT HE SAID REAL PROGRESS ON CYPRUS CAN BE MADE ONLY IF CONGRESS LIFTS THE BAN ON AMERICAN MILITARY AID TO TURKEY.

NEWSPAPER

1. WASHPOST, PAGE 26 - RANDAL & RAMSEY - TWO COLUMN LEAD "GLOOMY VIEW IS DISAVOWED BY KISSINGER" - SECRETARY KISSINGER SHARPLY DENIED TODAY THAT HE HAD TOLD NATO FOREIGN MINISTERS THAT NO ONE YET HAD FOUND A WAY TO CURE THE WESTERN INDUSTRIALIZED WORLD'S TWIN ECONOMIC ILLS - RECESSION AND INFLATION.

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U.S. OFFICIALS REFUSED TO EXPLAIN WHY HAK OBJECTED SO MUCH TO THE ACCOUNT OF HIS REMARKS, RELAYED BY AT LEAST FOUR OTHER DELEGATES PRESENT AT THE RESTRICTED OPENING SESSION OF THE ANNUAL COUNCIL MEETING OF THE 15-NATION NORTH ATLANTIC ALLIANCE....

A NATO SPOKESMAN LATER SAID THAT THE GROUND RULES FOR RESTRICTED SESSIONS CALLED FOR DISCRETION, NOT SECRECY AS HAK'S SPOKESMEN INSISTED.

IN A RELATED DEVELOPMENT, CONFERENCE SOURCES SAID HAK MOVED FURTHER TOWARD DEFUSING A FRENCH-AMERICAN ARGUMENT OVER ENERGY - WHICH HAS DIVIDED THE WEST - BY SAYING THE U.S. COULD ACCEPT WITHIN THE NEXT SIX MONTHS THE FRENCH-

INSPIRED ENERGY CONFERENCE OF INDUSTRIALIZED, OIL-PRODUCING  
AND UNDERDEVELOPED NATIONS.

COMING ON THE EVE OF PRESIDENT FORD'S MEETING WITH FRENCH  
PRESIDENT GISCARD D'ESTAING ON THE CARIBBEAN ISLAND OF

MARTINIQUE, HAK'S REPORTED REMARKS CONFIRMED THE IMPRESSION  
THAT A FACE-SAVING FORMULA COULD BE EXPECTED.

FRENCH SPOKESMEN HINTED AT THE COMPROMISE BY STATING THAT  
FRANCE DECLINED TO JOIN THE U.S.-SPONSORED INTERNATIONAL  
ENERGY AGENCY "FOR THE TIME BEING," A PHRASING THAT SUG-  
GESTED THAT FRANCE MIGHT LATER JOIN THE ORGANIZATION IN  
ONE FORM OR ANOTHER....

WITH FRENCH-AMERICAN RELATIONS AT THEIR WARMEST IN YEARS,  
U.S. OFFICIALS DENIED AS "ABSOLUTELY UNTRUE" REPORTS OF A  
CLASH BETWEEN HAK AND FRENCH FM SAUVAGNARGUES.

BASIS OF THE REPORT WAS HAK'S MILD - AND REPORTEDLY GOOD-  
HUMORED - DISAGREEMENT WITH SAUVAGNARGUES' ASSERTION  
THAT D'ESTAING IN RECENT NEGOTIATIONS WITH BREZHNEV HAD  
GONE NO FURTHER THAN MR. FORD IN VLADIVOSTOK IN MEETING  
THE KREMLIN'S DESIRE FOR A 35-NATION SUMMIT CONFERENCE  
TO CONSECRATE THE END OF THE ESC..... INGERSOLL

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